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Base Oils Price Forecast Methodology



Price Forecast Methodology: Base Oils

The ICIS Base Oils price forecast is of monthly prices. The forecasts are updated on a monthly review cycle but can be updated more frequently in case of major market developments. Price forecasts cover the current month and the following 17 months, ie 18 months in total.

The forecast pages provide:

1. Europe: Monthly forecast of the domestic Group I SN150 FOB, SN500 FOB and Brightstock FOB, Group II SN200/220 FCA and Group III 4cSt FCA prices, extending the corresponding historical gross prices reported in the ICIS Base Oils Europe price report
2. Americas: Monthly forecast of the domestic Group I SN150 FOB USGC, SN500/550 FOB USGC and Brightstock FOB USGC, Group II N100/120 FOB USGC, N200/220 FOB USGC, N600 FOB USGC and Group III 4cSt FOB USG prices, extending the corresponding historical gross prices reported in the ICIS Base Oils Americas price report.
3. Asia-Pacific: Monthly forecast of the domestic Group I SN150 Ex-tank Singapore, SN500/550 Ex-tank Singapore and Brightstock Ex-tank Singapore, Group II N150 Ex-tank Singapore, N500 Ex-tank Singapore and Group III 4cSt FOB Asia prices, extending the corresponding historical gross prices reported in the ICIS Base Oils Asia-Pacific price report.

Elements considered in the Base Oils price forecast evaluation include:

1. Crude oil and refined product price forecasts.
2. Supply-demand elements, including imports, exports, inventories, new projects and plant shutdowns.
3. Base oil margins and their impact on base oil prices.
4. Impact of base oil utilisation rates on base oil availability.
5. Impact of refinery utilisation rates on base oil availability.
6. Arbitrage opportunities for base oil between geographical regions based on freight rates, duties and other costs, and exchange rates.
7. Movement of spot prices.

Prices are published in the assessed currency. Where information is provided from a third party, this is clearly attributed. Historical and forecast prices can be downloaded using the ICIS Excel Plug-In.